

# 2011 Property Tax Report

## Miami County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Miami County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Miami County

The average homeowner saw a 15.7% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 73.4% lower than they were in 2007, before the property tax reforms.

97.7% of homeowners saw lower tax bills in 2011 than in 2007.

36.1% of homeowners saw tax increases of 20% or more from 2010 to 2011.

The largest percentage of homeowners have seen between a 70% and 79% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	6,101	77.7%	48	0.6%
No Change	910	11.6%	132	1.7%
Lower Tax Bill	837	10.7%	7,668	97.7%
<b>Average Change in Tax Bill</b>	<b>15.7%</b>		<b>-73.4%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	2,833	36.1%	35	0.4%
10% to 19%	2,105	26.8%	6	0.1%
1% to 9%	1,163	14.8%	7	0.1%
0%	910	11.6%	132	1.7%
-1% to -9%	266	3.4%	9	0.1%
-10% to -19%	165	2.1%	16	0.2%
-20% to -29%	77	1.0%	46	0.6%
-30% to -39%	64	0.8%	101	1.3%
-40% to -49%	34	0.4%	223	2.8%
-50% to -59%	35	0.4%	611	7.8%
-60% to -69%	27	0.3%	1,475	18.8%
-70% to -79%	23	0.3%	2,821	35.9%
-80% to -89%	12	0.2%	1,093	13.9%
-90% to -99%	10	0.1%	487	6.2%
-100%	124	1.6%	786	10.0%
<b>Total</b>	<b>7,848</b>	<b>100.0%</b>	<b>7,848</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★  
 LOWER LOCAL HOMESTEAD  
 CREDITS AND THE LOSS OF  
 THE STATE HOMESTEAD  
 CREDIT RAISE HOMEOWNER  
 TAX BILLS  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes increased 15.7% on average in Miami County in 2011. This was more than the state average of 4.4%. Miami County homestead taxes were still 73.4% lower in 2011 than they were in 2007, before the big tax reform. Miami has exceptionally high local property tax credits. The larger-than-average homestead tax increase in 2011 was mostly due to a drop in Miami County's local property tax credits in 2011. The credits dropped because of a decline in the local income tax revenues that fund them. Homestead tax bills also increased due to the phaseout of the state homestead credit in 2011. The state homestead credit was 4.9% in Miami County in 2010.

#### Tax Rates

Property tax rates decreased in half of Miami County tax districts. The average tax rate declined 2.1% because the reduction in the levy exceeded the decline in net assessed value. Levies in Miami County declined by 5.0%. The biggest levy increase was in the county cumulative bridge fund. The biggest levy reductions were in the Peru Community Schools debt service and transportation funds. Miami County's total net assessed value declined 2.8% in 2011. Homestead net assessments decreased by 5.7%, and agricultural net assessments grew by 2.4%. Other residential assessments decreased by 4.2%, while business net assessments decreased by 3.8%.

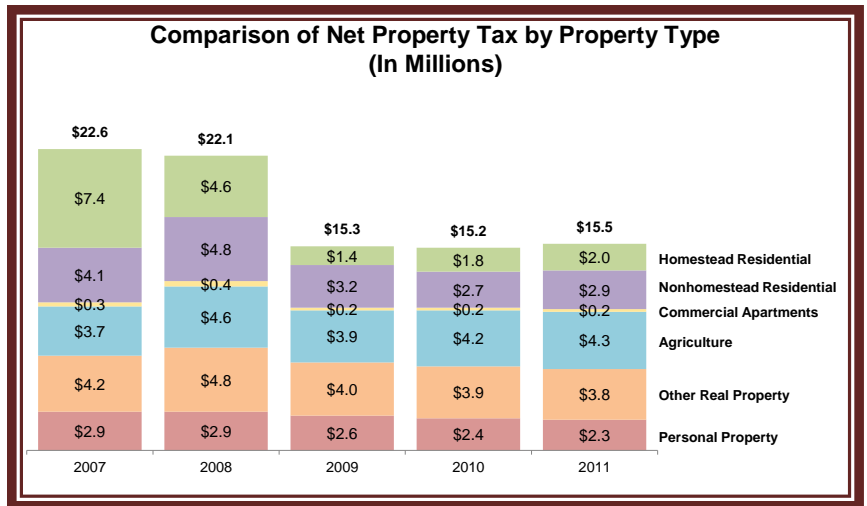
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*TAX DECREASES FOR BUSINESS AND  
APARTMENTS; INCREASES FOR  
AGRICULTURE AND OTHER RESIDENTIAL*

★★★★★★

### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 2.0% in Miami County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 7.3%. Tax bills for commercial apartments fell 2.1%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - fell by 4.3%. Agricultural tax bills increased by 3.6%. This was mainly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS DECREASED  
SLIGHTLY IN 2011*

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Total tax cap credit losses in Miami County were \$1.9 million, or 8.2% of the levy. This was near the state average loss rate of 9.2%, but more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Miami County's average tax rates were near the state median. Three taxing districts in Miami had rates above \$4 per \$100 assessed value, and these account for Miami's large amount of tax cap credits.

About half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 3% business category. The largest percentage losses were in the city of Peru, Peru Township, Peru Community School Corporation, Peru Public Library, and the town of Converse. The largest dollar losses were in the city of Peru, Peru Community School Corporation, and the county unit.

Miami County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$1,815	\$1,094,403	\$985,548	\$7,723	\$2,089,488	8.7%
2011 Tax Cap Credits	516	973,661	865,902	11,695	1,851,774	8.2%
Change	-\$1,298	-\$120,742	-\$119,646	\$3,973	-\$237,713	-0.6%

Tax cap credits decreased in Miami County in 2011 by \$237,713, or 11.3%. The reduced credits

represent a gain of 0.6% of the total tax levy. Most of the decrease in tax cap credits was in the 2% and 3% tax cap categories. The reason for the decline was lower tax rates. The elimination of the state homestead credit is the reason for the smaller decrease in credits in the 1% category.

### The Effect of Recession

The 2009 recession had an effect on Miami County assessments for pay-2011. Property values and construction activity appear to have fallen in Miami County in 2009. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local property tax credit. Only the large decrease in the tax levy prevented tax rates from increasing, which would have created bigger tax cap credit revenue losses.

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*2009 RECESSION REDUCED ASSESSMENTS  
AND LOCAL PROPERTY TAX CREDITS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$926,741,600	\$889,587,180	-4.0%	\$339,934,236	\$320,660,446	-5.7%
Other Residential	129,081,600	123,832,600	-4.1%	127,177,597	121,848,096	-4.2%
Ag Business/Land	281,988,100	288,472,700	2.3%	280,807,532	287,542,564	2.4%
Business Real/Personal	325,081,070	311,024,580	-4.3%	271,067,179	260,725,401	-3.8%
<b>Total</b>	<b>\$1,662,892,370</b>	<b>\$1,612,917,060</b>	<b>-3.0%</b>	<b>\$1,018,986,544</b>	<b>\$990,776,507</b>	<b>-2.8%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Miami County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<b>County Total</b>	32,939,347	35,170,602	22,243,438	23,584,392	22,402,144	6.8%	-36.8%	6.0%	-5.0%
<b>State Unit</b>	27,835	29,346	0	0	0	5.4%	-100.0%		
<b>Miami County</b>	7,757,947	7,700,961	5,369,432	5,738,100	5,906,751	-0.7%	-30.3%	6.9%	2.9%
Allen Township	17,723	15,426	15,832	28,162	23,679	-13.0%	2.6%	77.9%	-15.9%
Butler Township	11,501	12,350	12,826	13,300	13,202	7.4%	3.9%	3.7%	-0.7%
Clay Township	18,090	18,791	19,691	20,402	20,916	3.9%	4.8%	3.6%	2.5%
Deer Creek Township	20,291	21,374	22,619	23,451	24,084	5.3%	5.8%	3.7%	2.7%
Erie Township	13,477	14,516	15,041	15,619	16,015	7.7%	3.6%	3.8%	2.5%
Harrison Township	14,765	15,669	16,294	7,846	12,676	6.1%	4.0%	-51.8%	61.6%
Jackson Township	27,218	28,685	30,248	31,378	31,031	5.4%	5.4%	3.7%	-1.1%
Jefferson Township	36,809	38,539	40,898	42,412	43,488	4.7%	6.1%	3.7%	2.5%
Perry Township	21,674	23,262	24,908	25,792	26,446	7.3%	7.1%	3.5%	2.5%
Peru Township	186,568	112,522	119,125	123,489	126,635	-39.7%	5.9%	3.7%	2.5%
Pipe Creek Township	44,079	41,637	44,006	46,375	47,450	-5.5%	5.7%	5.4%	2.3%
Richland Township	15,395	16,016	17,054	17,703	18,156	4.0%	6.5%	3.8%	2.6%
Union Township	16,168	17,835	19,392	20,114	20,618	10.3%	8.7%	3.7%	2.5%
Washington Township	49,198	52,899	54,973	57,055	51,742	7.5%	3.9%	3.8%	-9.3%
Peru Civil City	4,829,852	5,974,014	5,846,332	6,010,782	5,926,796	23.7%	-2.1%	2.8%	-1.4%
Amboy Civil Town	34,440	35,950	33,100	33,100	32,981	4.4%	-7.9%	0.0%	-0.4%
Bunker Hill Civil Town	162,461	174,411	181,664	187,884	187,296	7.4%	4.2%	3.4%	-0.3%
Converse Civil Town	208,998	224,728	200,784	221,656	226,894	7.5%	-10.7%	10.4%	2.4%
Denver Civil Town	16,300	17,805	4,361	20,102	18,685	9.2%	-75.5%	360.9%	-7.0%
Macy Civil Town	12,206	13,761	14,585	14,584	15,250	12.7%	6.0%	0.0%	4.6%
Maconaquah School Corp	6,526,951	7,330,606	3,393,344	3,072,154	3,158,518	12.3%	-53.7%	-9.5%	2.8%
North Miami Consolidated School Corp	3,817,805	4,132,642	2,009,099	2,291,244	2,112,984	8.2%	-51.4%	14.0%	-7.8%
Oak Hill United School Corp	1,538,969	1,359,588	842,063	813,417	819,967	-11.7%	-38.1%	-3.4%	0.8%
Peru Community School Corp	7,097,302	7,334,594	3,488,102	4,281,282	3,081,490	3.3%	-52.4%	22.7%	-28.0%
Converse Public Library	63,098	67,923	70,605	73,371	75,470	7.6%	3.9%	3.9%	2.9%
Peru Public Library	344,134	333,845	334,264	353,618	362,924	-3.0%	0.1%	5.8%	2.6%
Miami County Solid Waste Mgt Dist	0	0	0	0	0				
Converse Town Redevelopment Comm	8,093	10,907	2,796	0	0	34.8%	-74.4%	-100.0%	
Miami County Redevelopment (Grissom)	0	0	0	0	0				

# **Miami County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District**

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Net Tax Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
52001	Allen Township	1.6131	10.2627%	4.4898%	39.2112%	--	28.8076%	10.1444%	0.1143
52002	Macy Town	2.2402	10.2627%	5.5645%	6.9392%	--	28.8076%	10.1444%	0.8576
52003	Butler Township	1.5166	10.2627%	4.3096%	16.9932%	--	28.8076%	10.1444%	0.4471
52004	Clay Township	1.5328	10.2627%	4.3486%	21.6969%	--	28.8076%	10.1444%	0.3792
52005	Deer Creek Township	1.5284	10.2627%	4.2972%	10.9934%	--	28.8076%	10.1444%	0.5425
52006	Erie Township	1.6481	10.2627%	3.5901%	3.3651%	--	28.8076%	10.1444%	0.7224
52007	Harrison Township	1.5164	10.2627%	4.3091%	16.8879%	--	28.8076%	10.1444%	0.4487
52009	Jackson Township	2.1638	10.2627%	3.8204%	57.2276%	--	28.8076%	10.1444%	0.0000
52010	Amboy Town	2.6595	10.2627%	4.6286%	15.2410%	--	28.8076%	10.1444%	0.8222
52011	Converse Town	3.9285	10.2627%	5.7176%	20.8331%	--	28.8076%	10.1444%	0.9521
52012	Jefferson Township	1.5966	10.2627%	4.5961%	7.7076%	--	28.8076%	10.1444%	0.6144
52013	Denver Town	1.8541	10.2627%	4.2749%	2.3134%	--	28.8076%	10.1444%	0.8195
52014	Perry Township	1.5764	10.2627%	4.5525%	26.6025%	--	28.8076%	10.1444%	0.3095
52015	Peru Township	2.4795	10.2627%	2.2982%	17.7335%	--	28.8076%	10.1444%	0.7625
52016	Peru City-Peru Township	4.1223	10.2627%	4.3164%	25.9984%	--	28.8076%	10.1444%	0.8439
52017	Pipe Creek Township	1.5214	10.2627%	4.3213%	26.3527%	--	28.8076%	10.1444%	0.3060
52018	Bunker Hill Town	3.1286	10.2627%	6.2111%	1.3202%	--	28.8076%	10.1444%	1.3532
52019	Richland Township	1.5675	10.2627%	4.5329%	3.9809%	--	28.8076%	10.1444%	0.6626
52020	Union Township	1.5980	10.2627%	4.5990%	3.9605%	--	28.8076%	10.1444%	0.6748
52021	Washington Township	1.5560	10.2627%	4.2984%	22.1364%	--	28.8076%	10.1444%	0.3789
52022	Peru City-Annex-Washington Twp	4.0256	10.2627%	4.6028%	0.0036%	--	28.8076%	10.1444%	1.8590
52023	Peru City South-Washington Twp	4.1179	10.2627%	4.2729%	5.3156%	--	28.8076%	10.1444%	1.6964

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Miami County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	516	970,011	848,630	11,695	1,830,853	22,402,144	8.2%
<i>TIF Total</i>	0	3,650	17,272	0	20,921	277,512	7.5%
<i>County Total</i>	516	973,661	865,902	11,695	1,851,774	22,679,656	8.2%
Miami County	78	146,902	125,578	3,645	276,204	5,906,751	4.7%
Allen Township	0	0	0	4	4	23,679	0.0%
Butler Township	0	0	0	4	4	13,202	0.0%
Clay Township	0	0	0	11	11	20,916	0.1%
Deer Creek Township	0	0	0	10	10	24,084	0.0%
Erie Township	0	0	0	6	6	16,015	0.0%
Harrison Township	0	0	0	7	7	12,676	0.1%
Jackson Township	0	295	186	7	487	31,031	1.6%
Jefferson Township	0	0	0	103	103	43,488	0.2%
Perry Township	0	0	0	15	15	26,446	0.1%
Peru Township	5	8,444	8,663	44	17,156	126,635	13.5%
Pipe Creek Township	0	137	0	44	182	47,450	0.4%
Richland Township	0	0	0	16	16	18,156	0.1%
Union Township	0	0	0	6	6	20,618	0.0%
Washington Township	0	1,533	390	15	1,937	51,742	3.7%
Peru Civil City	272	507,776	465,907	1,412	975,366	5,926,796	16.5%
Amboy Civil Town	0	434	0	60	493	32,981	1.5%
Bunker Hill Civil Town	20	12,898	0	254	13,171	187,296	7.0%
Converse Civil Town	0	19,202	13,010	286	32,499	226,894	14.3%
Denver Civil Town	0	0	0	50	50	18,685	0.3%
Macy Civil Town	0	0	0	27	28	15,250	0.2%
North Grove Civil Town	0	0	0	0	0	0	
Maconaquah School Corp	11	10,288	992	1,918	13,209	3,158,518	0.4%
North Miami Consolidated School Corp	0	0	0	2,277	2,277	2,112,984	0.1%
Oak Hill United School Corp	0	15,659	9,857	369	25,886	819,967	3.2%
Peru Community School Corp	112	210,650	191,197	1,010	402,969	3,081,490	13.1%
Converse Public Library	0	1,441	907	34	2,383	75,470	3.2%
Peru Public Library	19	34,352	31,943	62	66,375	362,924	18.3%
Miami County Solid Waste Mgt Dist	0	0	0	0	0	0	
Converse Town Redevelopment Comm	0	0	0	0	0	0	
Miami County Redevelopment (Grissom)	0	0	0	0	0	0	
TIF - Converse Downtown TIF 011	0	3,650	17,272	0	20,921	142,652	14.7%
TIF - Grissom TIF District 017	0	0	0	0	0	134,860	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.